

## STAFF NOTES:

# Latin American Trends

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## LATIN AMERICAN TRENDS

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Venezuela: Military Unrest: Not New But Troublesome

Military support and respect for President Perez is still high but there is an increasing trend on the part of some military officers toward open criticism of the government's policies and even Perez' personal conduct in office. There is no indication, however, that present discontent is of a magnitude to threaten the political stability of the Perez administration.

The rumors of discontent that have recently surfaced appear to center on five broad concerns:

- ...Movement to the left, especially in what conservative critics charge are "statist" economic and social measures;
- ...the effect of politics on promotion and assignment policies and the relegation of the military to a minor role in Venezuelan political life;
- ...the anti-US cast in foreign policy that has accompanied the warming of relations with Cuba;
- ...the Perez administration's capacity to lead Venezuela through its current critical period of rapid economic development, including the efficient running of the soon-to-be-nationalized petroleum industry;
- ...mismanagement and corruption, even at the cabinet level.

To this list are added lesser criticisms directed at Perez personally. These include charges that he intends to amend the constitution to seek a second consecutive term, that he plans to cap the establishment of relations with Cuba with an invitation to Castro to visit Caracas, that a recently shelved

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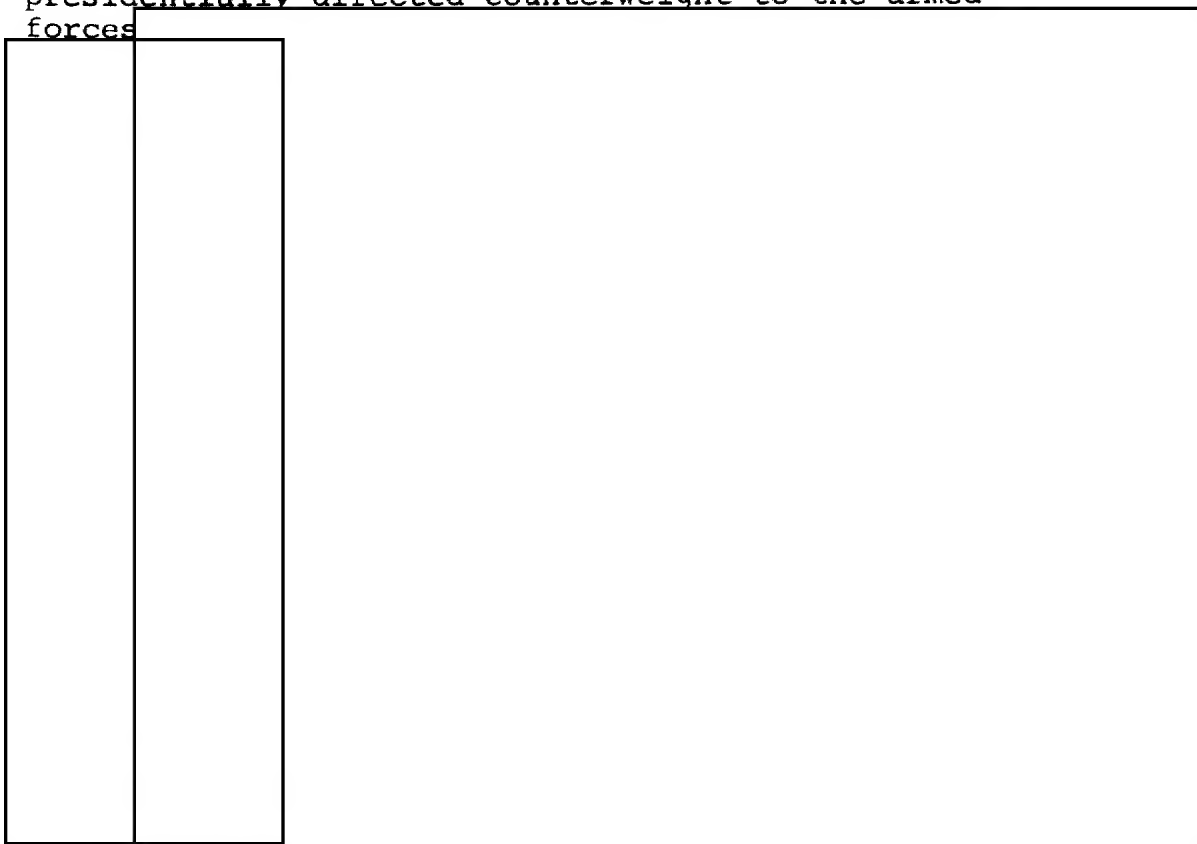
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proposal to incorporate the National Guard into a new  
national police force was an attempt to create a  
presidentially directed counterweight to the armed  
forces

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Nevertheless Perez is acutely aware of military criticisms and has maintained an open line of communications with military leaders. Last year the military's share of the budget was increased by 40 percent and military leaders have been given the go-ahead to purchase additional modern equipment. At the same time Perez' supreme confidence in his own political position could lead to a misjudgement in dealing with the military.

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This tendency has been apparent both in Perez' controversial proposal to take the National Guard out from under the jurisdiction of the defense minister and place it under civilian control; and evidence that he was planning to retire the present apolitical defense minister, General Leal Torres, and ignoring traditional service rivalries, replace him with a loyal supporter, Air Force General Paredes Bello.

The danger point in Perez' relations with the military could come if petroleum nationalization led to a disruption in production. There have been persistent fears expressed within and outside the government that politics, corruption, inefficiency, and general labor unrest will follow nationalization.

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[REDACTED] Perez is acutely aware that everything rides on the maintenance of a reasonably efficient and profitable oil industry. His dogged insistence on legislative flexibility in working out needed post-nationalization agreements with the private oil companies attests to that awareness.

In the meantime, Perez will see to it that causes for military criticism are kept to a minimum [REDACTED]

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Chile: Opposition To The Junta's Labor Code

The proposed amendments to the labor code drawn up by the military government have elicited widespread criticism from trade unions, which are fearful that the vague language of the statute will be employed to curtail existing rights and prevent the holding of free union elections and strikes.

The preliminary draft of the revised code is now awaiting suggestions and comments by the union organizations. Several major unions have requested a six-month delay to permit more detailed study of the changes, but the government is determined to push for promulgation by September 11, the second anniversary of the junta's takeover.

Among the specific objections of labor leaders are provisions that appear to allow the lengthening of the work week and the shortening of vacations. The loose wording of the article on collective bargaining states that strikes will be allowed "when economic conditions permit the free play of the interested parties but in no case before March 1, 1976." Among other sections which seem to give the government added leeway in interpreting the law to its own liking are two more dealing with strike approval--once that right is restored:

...Article 313 authorizing the labor and defense ministries to prohibit any strike that "affects strategic activities or the economic stability of the country."

...Article 335 stating that "in cases of strikes that affect the health, or (general) social or economic conditions, or prejudice all or a part of the community, or affect the security of the country, the government can decree a suspension."

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From all indications it would appear that the government has no intention of altering the limitations it wants to impose on labor. Union requests for an extension beyond July 8 on the deadline for comment on the official draft have already been rejected by the labor minister. Moreover, the government's handling of the recently enacted social statute of enterprise suggests that the final form of the labor document will not differ substantially from the current one. The government has not yet responded publicly to union appeals for the appointment of several prominent labor leaders to a "commission" that would review suggestions and complete the final law. But the most probable response to this is a flat no.

For the most part, organized labor probably will soft-pedal its reservations and offer only timid opposition to the eventual decree. The junta, on the other hand, evidently recognizes the sense of futility that pervades the labor establishment and will be less inclined than ever to concede anything to its critics in this area.

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Guatemala: Coalition Party Weakened

The National Liberation Movement, formerly the dominant member of the governing coalition, was further weakened and isolated last week when only two of its members were elected to head congressional committees.

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Eric Williams Visits Cuba

The visit to Cuba of Trinidad and Tobago Prime Minister Eric Williams from June 18 to 22 was apparently only a partial success. The Cuban leadership proved unwilling to give full support to several of Williams' proposals.

Williams sought Cuban backing for a special Law of the Sea arrangement for the Caribbean. Havana's response was vague and stopped short of full endorsement. Castro and Williams agreed only that "arrangements for the use and management of the marine resources should be examined."

The two prime ministers agreed to propose Havana as the site and September 1-4 as the dates for the first meeting of the Caribbean Committee of the UN Economic Commission for Latin America. The suggested agenda includes discussions of education and public health, but not the Law of the Sea as it affects the Caribbean.

A major reason for Havana's limited cooperation is probably the competitive personal relationship between Castro and Williams. As one of the major leaders of Caribbean independence, Williams has apparently viewed Castro as a young upstart and potential rival. Castro's coolness toward Williams' proposals can be seen as a response to Williams' own earlier stand-offishness and lack of response to past Cuban initiatives.

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In attempting to expand its influence in the Caribbean, the Cuban leadership has greater expectations for an enhanced Cuban role in Jamaica and Guyana than in Trinidad and Tobago. Castro will be careful, however, to remain on good terms with Williams because of his desire for Port-of-Spain's support in international forums.

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Uruguay: Bordaberry Attacks Personalities, Not Issues

President Bordaberry has attempted to eliminate a major source of friction within his Ministry of Agriculture by dismissing both the civilian minister and his military subordinate.

For the past several weeks the two officials had sought to undermine each other by resorting to rumor mongering and attacks of diatribe. The quarrel appears to have been largely personal, but it served to focus high-level attention on agriculture, which only last month was the subject of a major policy dispute between Bordaberry and the generals over the regulation of beef sales.

Because this issue--which also involves a conflict of interests between small and large ranchers--has not been resolved, Bordaberry's shuffling of personnel is only likely to prolong the dispute.

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Colombia: Carlos Lleras Throws in the Monkey Wrench

Liberal Party elder statesman and former president Carlos Lleras Restrepo, despite his trumpeted retirement from politics last year, is now behaving very much like a presidential candidate. Although the election is not until April 1978, Lleras' resumption of political activity stands an excellent chance of seriously dividing--and weakening--the Liberal Party.

Lleras has abandoned his post on the National Liberal Directorate, at least for the moment, and established a shadow leadership in the form of a separate national party headquarters. The new group, still in the process of organizing, has set up committees on finance and the economy--as well as sports and folk dancing. Regional directorates are also being organized, presumably in such Lleras strongholds as Santander and Boyaca departments.

To assert himself significantly, Lleras needs wider support than he seems likely to get, particularly from the party's majority roster of national congressmen. Most of them support Ambassador to the United States Julio Cesar Turbay, who is currently toying with the idea of resigning his post and returning home to take on Lleras. President Lopez, who recently was moved by growing public disorder to declare a nationwide state of siege, is trying to preserve the Liberals' overall image and is remaining aloof from the intra-party squabble.

Meanwhile, the Conservative Party, numerically smaller and markedly less dynamic than the Liberals, is quietly keeping the lid on its own internal problems and hoping that the Liberals will eventually fall apart.

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